



April 15, 2014

The Honorable Barack Obama  
President of the United States  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Mr. President:

On Monday, April 7, the Centers for Medicare and Medicaid Services (CMS) announced changes to next year's premium payments in the Medicare Advantage program, claiming they will increase payments. Unfortunately, your Administration's announcement amounts to little more than political theater. The fact is, Medicare Advantage has been repeatedly cut during your Administration, and several new reports show Medicare Advantage rates will drop as much as 3.5 percent next year despite CMS' announcement. This is on top of a 6 percent cut to fiscal year 2014 payments. Collectively, these cuts will significantly harm America's seniors.

As Governors in states home to many Medicare Advantage enrollees, we urge you to work with Congress and with CMS to take real, meaningful steps to strengthen a program that has been proven to be successful in serving American seniors.

Nearly 16 million seniors are enrolled in Medicare Advantage plans, accounting for almost 30 percent of total Medicare enrollees. Last year, enrollment increased by 8.9 percent, and almost half of all newly eligible seniors selected an Advantage plan in 2012. Seniors like their plans, with nine out of ten seniors reported being satisfied with their quality of care and choice of doctors. Furthermore, Medicare Advantage has proven as effective as traditional Medicare in reducing hospital readmissions, improving care coordination and overall health outcomes.

Despite your Administration's assertion that recent action will result in a net increase in rates from 2014 to 2015, reports from Morgan Stanley, Bank of America - Merrill Lynch, Humana and Citi all conclude that Medicare Advantage rates will drop by at least 3 percent. Additionally, the Citi report points out that CMS ignored major factors when calculating its projections, including Obamacare's health insurance industry fee.

These collective cuts to Medicare Advantage are a direct result of Obamacare and action by your Administration. They will limit the ability of Medicare Advantage to offer seniors and individuals with disabilities additional choices for high quality and coordinated care in their communities. For many seniors, their primary care doctors and specialists have already been terminated from their Medicare Advantage plans. All of this despite your broken promise that Americans can keep their plans and their doctors. For many seniors, the peace of mind that comes with having their Medicare Advantage plan is what they rely on in their

most desperate hour, and to take that away from them is just unacceptable.

Once again, we urge you to work with Congress and CMS to protect 16 million senior citizens who rely on their plans. And we urge you to do it now.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Scott", with a long horizontal flourish extending to the right.

Governor Rick Scott  
Florida

A handwritten signature in black ink, appearing to read "Bobby Jindal", with a stylized, cursive script.

Governor Bobby Jindal  
Louisiana

A handwritten signature in black ink, appearing to read "Rick Perry", with a cursive script and a long horizontal flourish extending to the right.

Governor Rick Perry  
Texas